

CITY OF ATLANTA

PROPERTY TAX BASICS

2006

PREPARED BY THE OFFICE OF BUDGET & FISCAL POLICY

The City of Atlanta has three levies for property taxes: Operating Levy, Bond Levy, and the Parks Levy.

LEVY	PURPOSE	2005 MILL RATE	(Proposed) 2006 MILL RATE	Change	%Change
Operating	To pay for general operating expenses of the City	7.64	7.53*	-0.11	
Bonds	To pay debt service on General Obligation Bonds issued for various City purposes	1.43	1.41	-0.02	
Parks	To fund expenses related to City of Atlanta Parks	0.50	0.50	0.00	
TOTAL		9.57	9.44	-0.13	-1.36%

Figure 1

*For more detailed information on the 2006 Operating Levy, see "Property Tax Rate & Digest Trends 2006".

A property tax bill consists of taxes levied by each of the following entities: The State of Georgia, Fulton County (or DeKalb County), Atlanta Public Schools, and the City of Atlanta. It is important to note that the City of Atlanta's property taxes account for less than one-quarter of the total annual bill. In other words, of every property tax dollar collected, 22 cents goes to the City of Atlanta. The remaining 78 cents support the Atlanta Public School System (52 cents), Fulton County (26 cents), and the State of Georgia (1 cent).

Total Levy Comparison, 2004 - 2006

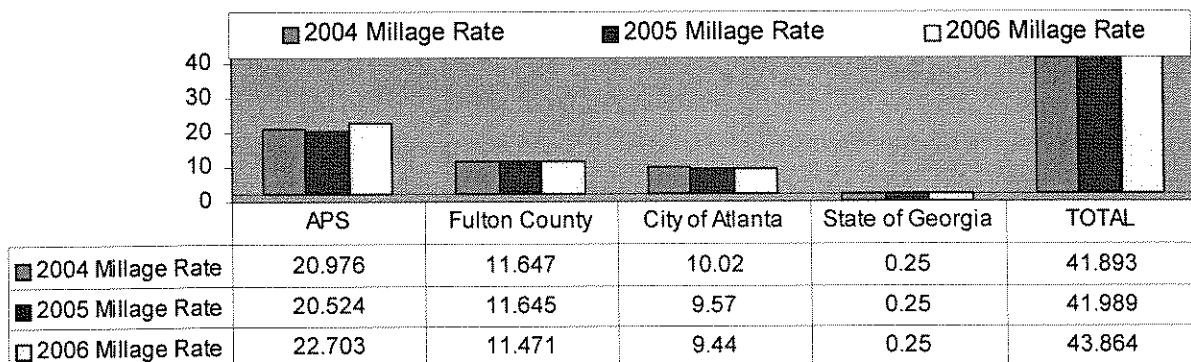


Figure 2

Calculating the City's Property Tax

The formula used to calculate a rate payer's property taxes owed is the Assessed Property Value (calculated at 40% of fair market value) minus exemptions (Basic Homestead, etc) multiplied by the millage rate.

Figure 3 shows how property taxes are calculated. Figure 4 shows City of Atlanta property taxes for properties at various prices based on the 2005 actual and 2006 proposed City of Atlanta rates. Both examples assume a basic homestead exemption of \$15,000 and a state tax relief grant of \$8,000 for a total of \$23,000 in exemptions.

Fair Market Value	X	40%	=	Assessed Value	—	Exemptions	X	Millage Rate	=	Property Tax
\$100,000	X	40%	=	\$40,000	—	\$23,000	X	.00944	=	\$160.48

Figure 3

Fair Market Value	2005 Property Tax (9.57 mills)	(Proposed) 2006 Property Tax (9.44 mills)	Change	% Change
\$100,000	\$162.69	\$160.48	\$2.21	-1.36%
\$200,000	\$545.49	\$538.08	\$7.41	-1.36%
\$300,000	\$928.29	\$915.68	\$60.14	-1.36%

Figure 4

Understanding Property Tax Roll-Backs

The Tax Payers' Bill of Rights requires the City of Atlanta, the Atlanta Public Schools System, and the County to "roll-back" or decrease their property tax rates for reassessment or to otherwise advertise a tax increase. This means that if in one year the City collects more property taxes because of rising property values, then in the next year, the City must reduce its property tax rate such that the total taxes collected does not exceed that of the previous year.

The City of Atlanta has rolled back the property tax rate each year since 2003. In total, the City's property tax rates have dropped 1.42 mills, or over 13%, since 2002.

For more information on how to read your tax bill, visit <http://ww2.co.fulton.ga.us/> or <http://www.co.dekalb.ga.us/>

COUNTY CONTACTS

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